

# PINE TELEPHONE SYSTEM, INC.

## HEADQUARTERS

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## CORPORATE OFFICE

301 W. BEAUREGARD, SUITE 208  
SAN ANGELO, TX 76903  
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October 16, 2008

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

RE: Review of the Commission's Program Access Rules and Examination of  
Programming Tying Arrangements  
MB Docket NO. 07-198

Dear Ms. Dortch:

Attached please find a letter to Chairman Kevin J. Martin from Pine Telephone System, Inc. requesting Commission action in MB docket No. 07-198.

In accordance with FCC rules, this letter is being filed electronically in the above-captioned docket.

Sincerely,



John B. Hemphill  
Vice President

JBH/dgv

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October 16, 2008

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Dear Chairman Martin:

As an owner of a rural telecommunications company, I urge the Commission to adopt the American Cable Association's (ACA) proposal in the wholesale programming rulemaking (MB Docket No. 07-198) so that small video providers can give a superior television service to their customers. Pine Telephone System is working with other small rural telephone companies to provide IPTV service to its customers and one of our biggest problems is not the broadband technology but obtaining programming content.

Independent video providers often have no choice in their negotiations with broadcasters and programmers today but to accept their unreasonable demands that prevent small providers from customizing their programming packages in ways that best reflect their customers' needs and desires. Independent video providers like Pine Telephone serve a relatively small number of subscribers, so broadcasters and programmers often leverage their market power against us in retransmission consent and other carriage negotiations.

In talks, broadcasters and programmers commonly refuse to offer their channels on a standalone basis at reasonable prices, terms, and conditions, and unreasonably require them to be distributed on specific tiers or to set percentages of customers without regard to whether customers want these channels or can afford them. In addition, the broadcasters and programmers frequently discriminate against small video providers by demanding higher per subscriber fees than other operators in the same market—costs that are ultimately passed along to customers.

Earlier this year, the ACA presented a proposal to the FCC that would prohibit broadcasters and programmers from engaging in these sorts of abusive practices. Granting their proposal would certainly make it easier for Pine Telephone to offer our customers with a superior IPTV service, including a wider variety of tiers, better value

*Chairman Martin*  
*Federal Communications Commission*  
*October 16, 2008*  
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and more independent and community programming. I respectfully urge you to adopt these proposed reforms this year.

Sincerely,



John B. Hemphill  
Vice President

cc: Commissioner Michael J. Copps  
Commissioner Jonathan S. Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell

JBH/dgv